

IMMEDIATE RELEASE
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Istook Says Foreign Oil Threat Is Being Ignored

Washington, D.C. -- National security is being ignored by the White House, according to Congressman Ernest Istook (R-OK). Istook says that's his conclusion from today's White House response concerning foreign threats to America's oil industry.

The Presidential response was required by law, after Istook last year requested a formal investigation by the U.S. Commerce Department. They reviewed how foreign oil imports hurt America's domestic oil industry and affect U.S. national security. Istook argued that national security is threatened because imports from Iraq are now the fifth largest source of foreign oil for the U.S. (The U.S. imported three times as much oil from Iraq last year as Oklahoma produced.) He urged a reversal of the Clinton Administration policy that allowed Iraq to resume selling oil. Istook also proposed a tax credit for marginal oil wells and fewer federal regulations on the domestic oil industry.

Istook says today's White House response ignores the most important issues. The White House proposed more funding for research into "green" energy (meaning not oil, gas or coal), but no tax cuts, new policies, or reduction of bureaucratic regulations on oil and gas. But the White House failed to address the national security issue. **"It should worry every American to know that Iraq—controlled by Saddam Hussein—is now America's fifth-largest source of foreign oil, since the Clinton Administration approved their resumption of sales. Meanwhile, the roller-coaster ride for domestic oil prices is profitable while prices are up, but a lot of producers cannot enjoy it: They were thrown off when it hit bottom last year. Iraqi imports had a lot to do with that. We're edging closer to a time when America is at the mercy of other nations, who could cut off our energy and power,"** said Istook. **"The Administration's recommendations are very disappointing. The domestic oil industry is vital to our economy and our national security. The President ignores the problem by focusing on finding new "alternative" sources of energy. That approach has had several decades to become practical, and it still hasn't made it."**

A report by the Kansas City Federal Reserve Board stated that America's domestic oil industry is in jeopardy because the cost of discovering oil overseas is 30% less than discovering oil in the United States.

"To compete successfully against overseas oil, our government needs to stop shackling our American oil industry with unnecessary expense that doesn't help the environment, but hurts our energy security," said Istook.